

## Message Text

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FM SECSTATE WASHDC  
TO AMEMBASSY MOSCOW

C O N F I D E N T I A L STATE 060407

E.O. 11652: GDS

TAGS: EEW, UR

SUBJECT: BUSINESS FACILITATION

REF: (A) MOSCOW 1267 (B) STATE 057472

1. ON MARCH 2 ZINOVIEV AT HIS REQUEST CALLED ON DAS ALAN REICH. DURING MEETING IN WHICH STROH, HEISS AND NAZAROV PARTICIPATED US SIDE MADE STRONG PITCH FOR REGULAR BUSINESS FACILITATION MEETINGS IN MOSCOW AT MANZHULO LEVEL.
2. ZINOVIEV, ACTING AS IF ISSUE HAD BEEN BASICALLY TAKEN CARE OF AT FEBRUARY 9 SKOUG-MANZHULO MEETING, INITIALLY RESPONDED VERY MUCH ALONG THE LINES OF REFTEL A) I.E. THAT WE SHOULD NOT COMPARE NUMBER OF MEETINGS HELD IN MOSCOW AND WASHINGTON. MANZHULO WAS VERY BUSY MAN BUT AVAILABLE ANY TIME TO SEE SKOUG WHENEVER THERE WAS SOMETHING TO DISCUSS, IF NECESSARY, "SEVERAL TIMES A WEEK,.

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3. US SIDE STRESSED IMPORTANCE WE ATTACH TO HAVING MEETINGS ON REGULAR BASIS IN BOTH LOCATIONS, GIVING NUMBER OF REASONS: (A) JUST AS SOVIET REQUESTS CAN BEST BE, AND HAVE BEEN, RESOLVED IN WASHINGTON, SO PROBLEMS OF US EMBASSY AND US BUSINESSMEN CAN MOST EFFECTIVELY BE HANDLED IN MOSCOW, A POINT WHICH MKRTUMOV HAS MADE REPEATEDLY AT

OUR BUSINESS FACILITATION MEETINGS HERE; POINTS RAISED IN ONE LOCATION CAN BE REINFORCED IN OTHER AS APPROPRIATE; (B) CITING EXAMPLES, US SIDE STRESSED THAT REGULARITY OF MEETINGS GENERATES MOMENTUM WHICH TENDS TO EXPEDITE RESOLUTION OF PROBLEMS. IT ALSO HELPS TO SURFACE PROBLEMS IN EARLY STAGES AND THUS TO FORESTALL MISUNDERSTANDINGS. THIS WAS REASON TO INSTITUTE REGULAR MEETINGS IN THE FIRST PLACE AS BOTH SIDES HAD AGREED AT 6TH JOINT COMMERCIAL COMMISSION MEETING IN JUNE. (C) MANZHULO LEVEL WAS MUTUALLY AGREED AT LOS ANGELES SKOUG-REICH-MANZHULO MEETINGS. WITHIN A TWO MONTH PERIOD THERE ARE ALWAYS PROBLEMS WHICH ARE IN NEED OF DISCUSSION OR REVIEW. EMBASSY MOSCOW ECON COUNSELOR IS ALSO VERY BUSY AND WOULD OBVIOUSLY NOT BE INTERESTED IN WASTING HIS OR MANZHULO'S TIME IF THERE WERE NOTHING TO DISCUSS. (D) FINALLY WE CONSIDER THIS A VERY USEFUL CHANNEL AND BELIEVE SOVIET TRADE REPRESENTATION IN WASHINGTON DOES TOO. OUR MEETINGS CAN CONTRIBUTE ALBEIT IN A MODEST WAY TO THE STRENGTHENING OF OUR COMMERCIAL RELATIONS WHICH BOTH SIDES DESIRE. PARTICULARLY AT A TIME WHEN WE ARE UNABLE TO MOVE AHEAD ON SOME OF THE LARGER ISSUES IT IS IMPORTANT NOT TO CURTAIL THIS AVENUE OF COMMUNICATION. THOSE OF US ENGAGED IN COMMERCE ON BOTH SIDES HAVE AN EVEN GREATER RESPONSIBILITY IN TIMES OF STRAINS IN OUR OVERALL RELATIONS TO MAINTAIN AND EXPAND THE DIALOGUE IN THIS ASPECT OF THE RELATIONSHIP.

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4. DURING LENGTHY DISCUSSION WHICH WAS CONTINUED OVER LUNCH ZINOVIEV INDICATED A BETTER APPRECIATION FOR US POSITION AND THE REASONS FOR IT. HE PROMISED TO CONVEY BOTH TO MANZHULO. HE ALSO CONTINUED TO SAY THAT SOME PROBLEMS COULD BE IRONED OUT DIRECTLY WITH RAKHMANIN AND OTHER APPROPRIATE MINISTRY DEPARTMENTS, WHILE CONCEDING THAT "UMBRELLA" OF MANZHULO MEETINGS COULD BE HELPFUL. THE TERM "UMBRELLA" PIQUED INTEREST OF ZINOVIEV AND HE BEGAN TO USE THE TERM AS CONVERSATION PROGRESSED. WE SUGGESTED THAT OPERATIONALLY THE RESUMPTION OF MOSCOW MEETINGS COULD START WITH AN "INVENTORY" OF ALL CURRENT BUSINESS FACILITATION ISSUES IN MOSCOW, IDENTIFY APPROPRIATE POINTS OF RESPONSIBILITY WITHIN SOVIET GOVERNMENT STRUCTURE FOR RESOLUTION OF THESE ISSUES, ASSIGN RESPONSIBILITY FOR ACTION, AND SCHEDULE FOLLOW UP MEETING TO ASSESS PROGRESS AND REVIEW NEW ISSUES AT ABOUT TWO MONTH INTERVALS.

5. DURING COURTESY CALL ON MARCH 7 BY DEPUTY FOREIGN TRADE MINISTER SUSHKOV ON C.L. HALSEM, USDOC GENERAL COUNSEL, LATTER REITERATED IMPORTANCE US ATTACHES TO

BUSINESS FACILITATION MEETINGS IN MOSCOW AND WASHINGTON

6. ON MARCH 8 DEPUTY ASSISTANT SECRETARY REICH ASKED MKRTUMOV TO POSTPONE FURTHER THE BUSINESS FACILITATION MEETING THAT HAD BEEN RESCHEDULED FOR MARCH 9. HE EXPRESSED THE HOPE THAT POSTPONEMENT WOULD ALLOW TIME FOR BOTH SIDES IN MOSCOW TO GET TOGETHER AND COMMUNICATE BACK TO US. VANCE

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## Message Attributes

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